

SOLICITOR GENERAL

BELIZE

No. HR18/1/12

HOUSE OF REPRESENTATIVES

Friday, 9th March 2018

10:00 AM

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ORDERS OF THE DAY

- 1. Prayers.**
2. Oath of Allegiance of a New Member.
- 3. Announcements by the Speaker.**
4. Bills brought from the Senate.
5. Petitions.
- 6. Papers.**

No. HR129/1/12 - Draft Estimates of Revenue and Expenditure for Fiscal Year 2018/2019.

No. HR130/1/12 - Central Bank of Belize – Estimates of Revenue and Expenditure for Fiscal Year 2018.

(The Right Honourable Prime Minister and Minister of Finance and Natural Resources)

- 7. Presentation of Reports from Select Committee.**

No. HR131/1/12 - Report from the Finance and Economic Development Committee on the International Financial Services Commission (Amendment) Bill, 2017.

No. HR132/1/12 - Report from the Finance and Economic Development Committee on the Stores Orders (Amendment) Regulations, 2017 – Affirmative Motion, 2018.

No. HR133/1/12 - Report from the Finance and Economic Development Committee on the Financial Orders (Amendment) Regulations, 2017 – Affirmative Motion, 2018.

No. HR134/1/12 - Report from the Finance and Economic Development Committee on the International Cooperation and Development Fund of the Republic of China (Taiwan) Loan Guarantee Motion 2018 In Favor of Belize Telemedia Limited.

(The Honourable Chairman of the Finance and Economic Development Committee)

8. Questions to Ministers.
9. Requests for leave to move the adjournment of the House on definite matters of urgent public importance.
10. Statement by Ministers.
11. Personal Explanations.
12. Introduction of Bills.
13. **Motions relating to the Business or Sitzings of the House.**
14. **Public Business.**

A. Government Business

I MOTIONS *(For Text of Motions see Notice Papers attached)*

1. Inter-American Development Bank – Climate Vulnerability Reduction Program Loan Motion, 2018.

Cabinet's recommendation to be signified.

2. The OPEC Fund for International Development US\$40,000,000 – Upgrading of Caracol Road Project, Phase I Loan Motion, 2018.

Cabinet's recommendation to be signified.

3. Stores Orders (Amendment) Regulations, 2017 – Affirmative Motion, 2018.

(referred 5th January 2018)

4. Financial Orders (Amendment) Regulations, 2017 – Affirmative Motion, 2018.

(referred 5th January 2018)

5. International Cooperation and Development Fund of the Republic of China (Taiwan) Loan Guarantee Motion 2018 In Favor of Belize Telemedia Limited.

(referred 5th January 2018)

(The Right Honourable Prime Minister and Minister of Finance and Natural Resources)

BILL FOR SECOND READING

1. **International Financial Services Commission (Amendment) Bill, 2017.**

Bill for an Act to amend the International Financial Services Commission Act, Chapter 272 of the Substantive Laws of Belize, Revised Edition 2011; to vary the composition of the Commission; and to provide for matters connected therewith or incidental thereto.

(The Right Honourable Prime Minister and Minister of Finance and Natural Resources)

II COMMITTEE OF THE WHOLE HOUSE ON BILL

III BILL FOR THIRD READING

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**BELIZE**

**No. HR18/1/12**

**HOUSE OF REPRESENTATIVES**

Friday, 9<sup>th</sup> March 2018

10:00 A.M.

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**NOTICES OF QUESTIONS AND MOTIONS**

**MOTIONS**

1. **Inter-American Development Bank – Climate Vulnerability Reduction Program Loan Motion, 2018.**

**Notice given on 12<sup>th</sup> January 2018.**

**WHEREAS**, Belize being a member of the Inter-American Development Bank (the “Bank”), is eligible for development assistance in the form of loans, grants, and technical assistance from the Bank on such terms and conditions as may be agreed between Belize and the Bank from time to time;

**AND WHEREAS**, the Government of Belize has approached the Bank for financial assistance in the execution of a Climate Vulnerability Reduction Program;

**AND WHEREAS**, it is the intention of the Government to apply such financial assistance to reduce Belize’s climate vulnerability and risk through the implementation of climate resilient measures in the tourism sector and by improving the governance of Belize’s Disaster Risk Management;

**AND WHEREAS**, such project consists of climate reduction in the tourism sector, including climate resilient flood control measures in Belize City; investments in Caye Caulker and Goff’s Caye; environmental issues; coastal monitoring for Goff’s Caye (erosion and coral reef); and management plans for Palapa beach (Caye Caulker) and Goff’s Caye;

**AND WHEREAS**, the project also consists of Governance for Disaster Risk Management and Climate Change adaptation, including a risk information system, designing of building codes and climate risk financing strategy for the tourism and agriculture sectors; project management, annual evaluations and audits will also be financed by the project;

**AND WHEREAS**, it is intended that the execution of the project shall be carried out on behalf of the Government by the Ministry of Works, acting as Executing Agency;

**AND WHEREAS**, the Bank has offered the Government financing of up to US\$10,000,000.00 from its Ordinary Capital Resources in support of the Climate Vulnerability Reduction Program under the following terms and conditions:

|                        |                                                                                                                                                                                                                                                              |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lender:                | The Inter-American Development Bank;                                                                                                                                                                                                                         |
| Loan Principal Amount: | US\$10,000,000.00 Single Currency Facility Loan;                                                                                                                                                                                                             |
| Disbursement Schedule: | Over a period of forty-eight (48) months from the date of signature of Loan Contract;                                                                                                                                                                        |
| Loan Term:             | Twenty five (25) Years inclusive of a sixty-six (66) month Grace Period on Principal Repayments;                                                                                                                                                             |
| Repayment Period       | To be repaid in 39 approximately equal, semi-annual, and consecutive installments of about US\$256,410.25;                                                                                                                                                   |
| Purpose:               | To execute Climate Vulnerability Reduction Program;                                                                                                                                                                                                          |
| Rate of Interest:      | Lending Rate is based on the Single Currency Facility Loan with a LIBOR-Based Interest Rate plus the applicable lending spread for the Bank’s ordinary capital loans, to be paid semi-annually beginning six months from date of signature of Loan Contract; |
| Credit Fee:            | A Credit Fee will be at a percentage to be established by the Bank on a periodic basis, not exceeding 0.75% per annum;                                                                                                                                       |

**AND WHEREAS**, under the provisions of section 7 (2) of the Finance and Audit (Reform) Act, 2005, the Government of Belize is required to obtain the prior authorisation of the National Assembly, by way of a Resolution, for such a borrowing;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the Loan proceeds would significantly assist the Government of Belize in its endeavor to reduce Belize’s climate vulnerability and risk through the implementation of climate resilient measures in the tourism sector and by improving the governance of Belize’s Disaster Risk Management, approve and confirm that the Government may enter into a Loan Contract with the Inter-American Development Bank on the terms and conditions set out above for financing the said Project, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith.

**Cabinet’s recommendation to be signified.**

2. **The OPEC Fund for International Development US\$40,000,000 – Upgrading Of Caracol Road Project, Phase I Loan Motion, 2018.**

**Notice given on 27<sup>th</sup> February 2018.**

**WHEREAS**, Member States of the Organization of Petroleum Exporting Countries (OPEC), being conscious of the need for solidarity among all developing countries and aware of the importance of financial cooperation between them and other developing countries, have established the OPEC Fund for International Development (OFID) to provide financial support on concessionary terms to developing countries;

**AND WHEREAS**, the Government of Belize aims at improving the connectivity and accessibility, between the George Price Highway and the Caracol Archaeological Site, through the upgrading of the Caracol Road;

**AND WHEREAS**, the Government of Belize has requested assistance from the OFID in the sum of US\$40 million for the partial financing of the Project;

**AND WHEREAS**, the OFID has approved an offer of a Loan of US\$40 million to the Government of Belize to finance the upgrading of 42.5 km of roads and related infrastructure (Phase I) which represents 91% of the total costs of the civil works component of this Phase of the Project;

**AND WHEREAS**, the Government of Belize will cover the remaining 9% of the total costs of the civil works as counterpart contribution of approximately US\$3.96 million;

**AND WHEREAS**, the approved financing will be used towards the widening and upgrading of the existing carriageway, reconstruction of six reinforced-concrete bridges, construction of a drainage system and ancillary works, including the installation and relocation of streetlights and water mains and other protection and safety works;

**AND WHEREAS**, the terms and conditions of the Loan Offer are as follows:

|                        |                                                                                                                                                                                             |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lender:                | The OPEC Fund for International Development (OFID);                                                                                                                                         |
| Loan Principal Amount: | US\$40,000,000.00;                                                                                                                                                                          |
| Loan Term:             | 20 years (5 years grace period plus 15 years repayment period);                                                                                                                             |
| Grace Period:          | 5 years from the Date of the Loan Agreement;                                                                                                                                                |
| Repayment period:      | Repayment in thirty (30) semi-annual installments comprising of twenty-nine (29) installments of US\$1,333,330.00 and one (1) installment of US\$1,333,430.00 commencing February 15, 2023; |
| Purpose:               | To improve connectivity and accessibility, between the George Price Highway and the Caracol Archaeological Site, through the upgrading of the Caracol Road;                                 |

Rate of Interest: At a rate of 2.5 percent per annum on the principal amount withdrawn and outstanding and payable semi-annually on February 15 and August 15 in each year;

Service Charge: At a rate of one percent (1.0%) per annum on the principal amount of the Loan withdrawn and outstanding payable semi-annually on February 15 and August 15 in each year;

**AND WHEREAS**, under the provisions of section 7 of the Finance and Audit (Reform) Act, 2005, the Government of Belize is required to obtain the prior authorization of the National Assembly, by way of a Resolution, for such a borrowing;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the loan proceeds would significantly contribute towards the efforts of the Government to improve connectivity and accessibility, between the George Price Highway and the Caracol Archaeological Site, through the upgrading of the Caracol Road, approve and confirm that the Government of Belize may enter into a Loan Agreement with the OPEC Fund for International Development (OFID) on the term and conditions set out above, and further authorize the Minister of Finance to execute and deliver the said Loan Agreement and all other documents associated therewith.

**Cabinet's recommendation to be signified.**

3. **Stores Orders (Amendment) Regulations, 2017 – Affirmative Motion, 2018.**

*(referred 5<sup>th</sup> January 2018).*

**WHEREAS**, the provisions of section 23 of the Finance and Audit (Reform) Act, Chapter 15 of the Substantive Laws of Belize, confers powers upon the Minister responsible for Finance to make Regulations for giving better effect to said Act;

**AND WHEREAS**, the Minister of Finance has used such powers to make Regulations to amend the Stores Orders 1968 to increase the ceilings under which Accounting Officers may purchase stores and also to obtain stores items from abroad without first having to obtain the written approval of the Financial Secretary;

**AND WHEREAS**, increase in the ceilings are as follows:

1. Total Cost of Individual items of stores: \$10,000 (up from \$3,000);
2. Total Cost of Items of stores in one Single Order: \$20,000 (up from \$7,000);
3. Total Cost of items to be obtained from abroad: \$50,000 (up from a requirement that all foreign purchases required prior approval);

**AND WHEREAS**, no change has been made to the Tender procedure itself as outlined in Chapter 10 of the Financial Orders;

**AND WHEREAS**, these new Regulations were deemed necessary as the last time the ceilings were adjusted was in the year 1992;

**AND WHEREAS**, with the passage of time, such low ceilings had become unduly constraining and restrictive and have contributed the slow processing of government purchases;

**AND WHEREAS**, a copy of the new Regulations entitled **STORES ORDERS (AMENDMENT) REGULATIONS, 2017** is annexed hereto;

**AND WHEREAS**, section 23 (4) of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011, provides that all Regulations made by the Minister shall be subject to affirmative resolution of the National Assembly;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the said **STORES ORDERS (AMENDMENT) REGULATIONS, 2017**, will give better effect to the provisions of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011 and to the general efficiency of government operations approve and affirm these said Regulations.

**4. Financial Orders (Amendment) Regulations, 2017 – Affirmative Motion, 2018.**

*(referred 5<sup>th</sup> January 2018).*

**WHEREAS**, the provisions of section 23 of the Finance and Audit (Reform) Act, Chapter 15 of the Substantive Laws of Belize, confers powers upon the Minister responsible for Finance to make Regulations for giving better effect to said Act;

**AND WHEREAS**, the Minister of Finance has used such powers to make Regulations to amend the Financial Orders 1965 to increase the ceiling under which Accounting Officer may make verbal and written contracts;

**AND WHEREAS**, increase in the ceilings are as follows:

1. Authority to make Verbal Contracts: \$10,000 (up from \$2,000);
2. Authority to make Written Contracts with approval of the Minister: \$50,000 (up from \$20,000);
3. Authority for Accounting Officers to Normally Invite Tenders: Above \$20,000 but below \$50,000 (up from \$10,000);
4. Authority above which Accounting Officers Shall Invite Tenders: Above \$50,000 (up from \$20,000);

**AND WHEREAS**, these new Regulations were deemed necessary as the last time the ceilings were adjusted was in the year 1992;

**AND WHEREAS**, with the passage of time, such low ceilings had become unduly constraining and restrictive and have contributed to the slow processing of approval for small government contracts;

**AND WHEREAS**, a copy of the new Regulations entitled **FINANCIAL ORDERS (AMENDMENT) REGULATIONS, 2017** is annexed hereto;



**AND WHEREAS**, section 23 (4) of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011, provides that all Regulations made by the Minister shall be subject to affirmative resolution of the National Assembly;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the said **FINANCIAL ORDERS (AMENDMENT) REGULATIONS, 2017**, will give better effect to the provisions of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011, and to the general efficiency of government operations, approve and affirm these said Regulations.

**5. International Cooperation and Development Fund of the Republic of China (Taiwan) Loan Guarantee Motion 2018 In Favor of Belize Telemedia Limited.**

*(referred 5<sup>th</sup> January 2018).*

**WHEREAS**, Belize Telemedia Limited (“BTL”), is a private company incorporated under the laws of Belize which provides under license an extensive array of telecommunications and related services;

**AND WHEREAS**, majority shares in BTL are together held by the Government of Belize and by the Belize Social Security Board;

**AND WHEREAS**, BTL is desirous of borrowing funds from the International Cooperation and Development Fund (“the TaiwanICDF”) to assist in the financing of its National Broadband Program;

**AND WHEREAS**, the TaiwanICDF is prepared to offer BTL such financing in the amount not to exceed Seventeen Million and Five Hundred Thousand United States Dollars (US\$17,500,000) (“Loan”) under certain terms and conditions including the provision by the Government of Belize of an irrevocable and unconditional Loan Guarantee to the TaiwanICDF in favor of BTL, supported by a Resolution of the House of Representatives;

**AND WHEREAS**, section 6 of the Finance and Audit (Reform) Act, 2005 also requires that the Government of Belize seeks the prior approval of the National Assembly by way of Resolution to offer such a Loan Guarantee;

**AND WHEREAS**, the main terms and conditions of the TaiwanICDF Loan Offer to BTL are as follows:

|                         |                                                                                                                                           |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Borrower:               | Belize Telemedia Limited;                                                                                                                 |
| Lender:                 | The International Cooperation and Development Fund (TaiwanICDF);                                                                          |
| Loan Principal Amount:  | Up to US \$17,500,000.00 (Seventeen Million Five Hundred Thousand United States Dollars);                                                 |
| Loan Commitment Period: | Three Years;                                                                                                                              |
| Loan Term:              | Twelve Years including a Three Years Grace Period;                                                                                        |
| Purpose:                | To assist with financing of the installation of a state-of-the-art fiber optic network to connect homes and businesses throughout Belize; |

|                 |                                                                                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest Rate:  | 5.5% per annum (fixed);                                                                                                                                                                                                                                                                                                    |
| Repayment:      | Repayment of the facility will be over a period of Nine Years after a Three Year Grace Period;                                                                                                                                                                                                                             |
| Commitment Fee: | 0.75% per annum on the portion of the commitment that has not been drawn or cancelled;                                                                                                                                                                                                                                     |
| Security:       | Irrevocable and Unconditional Guarantee from the Government of Belize to the TaiwanICDF in favor of BTL for lending up to US\$17.5 million (Seventeen Million Five Hundred Thousand United States Dollars) to BTL, plus Interest and all other related charges, supported by a Resolution of the House of Representatives; |

**AND WHEREAS**, the Government of Belize is desirous of obtaining the prior authorization of the National Assembly, by way of a Resolution, for the issue of such Loan Guarantee;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that a sovereign guarantee is a key requirement of the TaiwanICDF in the case of this specific Loan, and being further satisfied that the Belize Telemedia Limited has the financial ability to make the payments and repayments in respect of the Loan, and being additionally satisfied that this Loan will lead to the growth of the economy of Belize, hereby approve and confirm that the Government of Belize may issue the required Loan Guarantee to the International Cooperation and Development Fund (TaiwanICDF) in favor of Belize Telemedia Limited for the performance of the Loan, on the terms and conditions set out above, and further authorize the Minister of Finance to execute and deliver the said Guarantee Agreement and all other documents associated therewith for and on behalf of the Government of Belize.

***(The Right Honourable Prime Minister and Minister of Finance and Natural Resources)***

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